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WASHINGTON
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INTERSTATE COMMERCE COMMISSION
AUG 14 1992-3 30 PM
RECORDATION NO 17918
FILED 17918

AUG 14 1992-3 30 PM

August 14, 1992

INTERSTATE COMMERCE COMMISSION
Secretary "settlement" shall be deemed and
Interstate Commerce Commission shall be deemed
Commission "settlement" shall be deemed and
Washington, D.C. Uniform Commercial Code provision
Dear Madam: To the extent this lease constitutes chattel and

I have enclosed an original and one copy of each of the
two documents described below, to be recorded pursuant to Section
11303 of Title 49 of the U.S. Code.

1. This document is a lease, a primary document, dated as
of August 1, 1992.

The names and addresses of the parties to the document
are as follows: (lessor) SOLVAY POLYMERS INC.

Lessor:

The Connecticut National Bank
777 Main Street
Hartford, Connecticut 06115
(lessor)

Lessee THE CONNECTICUT NATIONAL BANK

Solvay Polymers, Inc.
3333 Richmond Avenue
Houston, Texas 77098
(lessor)

A description of the equipment covered by the document
follows: two hundred sixty eight (268) 5800 ft. plastic
pellet covered hopper cars manufactured by ACF Industries,
Incorporated, ELTX Nos:

- 2000 - 2010
- 2012 - 2127
- 2129 - 2134
- 2133 - 2151
- 2153 - 2166
- 2168 - 2200
- 2202 - 2219
- 2221 - 2235
- 2238

[Handwritten signature]

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NOT FOR RECORDING

MORGAN, LEWIS & BOCKIUS

Secretary
Interstate Commerce Commission
Page 2
August 14, 1992

2240 - 2243
2245 - 2247
2249 - 2251
2253 - 2256
2258 - 2263
2265
2267 - 2268
2270 - 2273
2275 - 2277
2280
2282
2284 - 2287
2290 - 2291

A short summary of the document to appear in the index follows:

Lease Agreement between The Connecticut National Bank, as Trustee, as Lessor, and Solvay Polymers, Inc., as Lessee, dated as of August 1, 1992.

2. This document is a security agreement, a primary document, dated as of August 7, 1992.

The names and addresses of the parties to the document are as follows:

Debtor: The Connecticut National Bank
777 Main Street
Hartford, Connecticut 06115

Lenders: Massachusetts Mutual Life Insurance Company
1295 State Street
Springfield, Massachusetts 01111

MML Pension Insurance Company
1295 State Street
Springfield, Massachusetts 01111

A description of the equipment covered by the document follows: two hundred sixty eight (268) 5800 cu. ft. plastic pellet covered hopper cars manufactured by ACF Industries, Incorporated, ELTX Nos:

MORGAN, LEWIS & BOCKIUS

Secretary
Interstate Commerce Commission
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August 14, 1992

2000 - 2010
2012 - 2127
2129 - 2131
2133 - 2151
2153 - 2166
2168 - 2200
2202 - 2219
2221 - 2235
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2240 - 2243
2245 - 2247
2249 - 2251
2253 - 2256
2258 - 2263
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2267 - 2268
2270 - 2273
2275 - 2277
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2282
2284 - 2287
2290 - 2291

A short description of the document to appear in the index follows:

Security Agreement between the Connecticut National Bank, as Trustee, as Debtor, and Massachusetts Mutual Life Insurance Company and MML Pension Insurance Company, as Lenders, dated as of August 7, 1992.

A fee of \$32.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to:

Leonard A. Potter, Esq.
Morgan, Lewis & Bockius
101 Park Avenue
New York, NY 10178

Very truly yours,

Leonard A. Potter / DNB

Leonard A. Potter, as
representative in fact of
The Connecticut National Bank

17918

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AUG 14 1992 -3 30 PM

INTERSTATE COMMERCE COMMISSION

MASTER EQUIPMENT LEASE AGREEMENT

Dated as of August 1, 1992

Between

THE CONNECTICUT NATIONAL BANK
(Lessor)

and

SOLVAY POLYMERS, INC.
(Lessee)

To the extent this Lease constitutes chattel paper within the meaning of any applicable Uniform Commercial Code provision, only the counterpart hereof marked "original" shall be deemed chattel paper and all other counterparts shall be deemed and marked "duplicates".

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MASTER EQUIPMENT LEASE AGREEMENT

Lease Agreement made as of this 1st day of August, 1992, between THE CONNECTICUT NATIONAL BANK, a national banking association, having its principal place of business located at 777 Main Street, Hartford, Connecticut, not in its individual capacity but solely as the trustee ("Lessor") under the Trust Agreement dated as of August 1, 1992 (the "Trust Agreement") for the benefit of NYNEX Credit Company, a Delaware corporation, and its successors and assigns (the "Trustor"), and SOLVAY POLYMERS, INC., a Delaware corporation ("Lessee") having its principal place of business located at 3333 Richmond Avenue, Houston, Texas 77098.

1. LEASE AGREEMENT: Lessor hereby leases to Lessee and Lessee hereby rents from Lessor all the machinery, equipment and other personal property ("Equipment") described in the Equipment lease schedule ("Lease Schedule No. 1") which has been executed by Lessor and Lessee and attached hereto and which is incorporated herein by reference upon the terms and conditions set forth therein. Lessor and Lessee also hereby agree that no later than November 12, 1992, subject to the conditions set forth herein, Lessor will lease to Lessee and Lessee will rent from Lessor all the Equipment described in a second Equipment lease schedule ("Lease Schedule No. 2") executed by Lessor and Lessee and attached hereto and incorporated herein by reference (together with Lease Schedule No. 1, the "Schedules") upon the terms and conditions set forth therein; provided that if the lease of the Equipment described on Lease Schedule No. 2 has not commenced on or prior to October 9, 1992, as evidenced by the delivery of an acceptance certificate with respect thereto by Lessee to Lessor, or if such lease has commenced on terms other than as set forth on Lease Schedule No. 2 on the date of execution thereof, then Exhibits A and B to the Schedules shall be adjusted to reflect such events. All of the terms and conditions of this Lease shall govern the rights and obligations of Lessor and Lessee except as specifically modified in writing. Whenever reference is made herein to "this Lease" it shall be deemed to include each and all of the Schedules identifying all items of Equipment as to which this Lease has commenced (as evidenced by delivery by Lessee of an acceptance certificate with respect thereto), all of which constitute one undivided lease of the Equipment, and the terms and conditions of which are incorporated herein by reference.

2. CONDITIONS PRECEDENT: The obligation of Lessor to purchase any of the Equipment from Lessee and to lease any of the Equipment to Lessee hereunder shall be subject, on or as of the acceptance date for such Equipment, to (i) Lessee's acceptance of

such Equipment, as evidenced by Lessor's receipt of an acceptance certificate in form and substance acceptable to Lessor with respect thereto; (ii) Lessee's execution and delivery, at Lessee's expense, of such documents as Lessor may reasonably deem to be necessary or desirable (each in form and substance satisfactory to Lessor), including, without limitation, an opinion of Lessee's counsel, a certificate(s) of officers of Lessee, Uniform Commercial Code financing statements and other filings and publications as may be appropriate with respect to Lessor's interest in the Equipment including filings with the United States Interstate Commerce Commission and with the Registrar General of Canada; (iii) there not having occurred, since the date of the most recent financial statements for Lessee or Solvay America, Inc., a Delaware corporation (the "Guarantor") delivered to Lessor pursuant to Section 5 hereof, any material adverse change in the financial condition of Lessee or Guarantor or in Lessee's ability to perform its obligations hereunder or in Guarantor's ability to perform its obligations under the Guaranty, dated as of the date hereof (the "Guaranty"); (iv) there having occurred no actual or proposed change in applicable law that would have a material adverse impact on the transactions contemplated by this Lease (unless Lessor and Lessee shall have agreed upon appropriate adjustments and indemnities to compensate for such change); (v) Lessee's and Guarantor's representations and warranties contained in this Lease and the Guaranty being true and accurate as if made on and as of such date, and Lessee and Guarantor having performed and complied with all of its covenants and obligations hereunder, under the Guaranty and under any purchase agreement; (vi) receipt by Lessor of full warranty bills of sale for the Equipment (A) from the Lessee issued in favor of Lessor and (B) from the manufacturer thereof issued in favor of the Lessee; (vii) no Event of Default having occurred hereunder and (viii) the Lessor having received funds from the sale of its non-recourse secured notes to a Collateral Assignee (as defined in Section 23 hereof) for the purpose of financing the Equipment, in an amount not less than 77% of the Acquisition Cost for such Equipment (as set forth on the applicable Lease Schedule).

3. REPRESENTATIONS AND WARRANTIES: Lessee represents and warrants that:

(a) Lessee is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware; has all requisite corporate power and authority and all material licenses and permits to own and operate its respective properties and to carry on its business as now conducted; and is duly licensed or qualified and is in good standing as a foreign corporation in the state of Texas. Lessee's home office and production facilities and at least 90% of Lessee's tangible assets are located within the State of Texas.

(b) This Lease, the bill of sale referenced in clause (vi)(A) of Section 2 hereof, the Supplemental Agreement and each other agreement related to the lease of Equipment contemplated hereby to which Lessee is a party (the "Operative Agreements") have been duly authorized, executed and delivered by Lessee and constitute the legal, valid and binding obligations of Lessee enforceable against Lessee in accordance with their respective terms.

(c) (i) The consolidated balance sheet of Lessee and its subsidiaries as of December 31, 1991 and the consolidated statement of income and retained income for the fiscal year ended on said date and (ii) the consolidated balance sheet, consolidated statement of operations, consolidated statement of stockholders' equity and consolidated statement of cash flows of Lessee and the subsidiaries as of the end of and for each subsequent quarterly period have been delivered to Lessor and have been prepared in accordance with generally accepted accounting principles in the United States consistently applied (subject, in the case of quarterly periods, to year-end adjustments and the absence of footnotes), are correct in all material respects and present fairly the financial position of Lessee and its subsidiaries on a consolidated basis as of such date and the results of operations of Lessee and its subsidiaries on a consolidated basis for such period.

(d) There is no fact which Lessee has not disclosed to Lessor in writing which materially affects adversely nor, so far as Lessee can now foresee, will materially affect adversely the properties, business, prospects or condition (financial or otherwise) of Lessee and its subsidiaries.

(e) There are no proceedings pending or, to the knowledge of Lessee, threatened against or affecting Lessee or any of its subsidiaries in any court or before any governmental authority or arbitration board or tribunal which concerns the Equipment, this Lease, any of the Operative Agreements or the lease of Equipment contemplated hereby or which, if adversely determined, would materially and adversely affect Lessee's ability to perform its obligations under any of the Operative Agreements. Lessee is not in default with respect to any material order of any court or governmental authority or arbitration board or tribunal.

(f) The execution and delivery by Lessee of each of the Operative Agreements and compliance by Lessee with all of the provisions of said instruments (i) are within the corporate powers of Lessee and (ii) will not violate any provisions of any law, rule or regulation or any order of any court or governmental authority or agency and will not conflict with or result in any breach of any of the terms, conditions or provisions of, or constitute a default under the Articles of Incorporation or ByLaws of Lessee or any indenture, mortgage, conditional sale, loan or credit agreement or other instrument to which Lessee is a party or by which it may be

bound or result in the imposition of any liens or encumbrances on any property of Lessee.

(g) No Event of Default as defined in this Lease has occurred and is continuing and no event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute an Event of Default as herein defined. Neither Lessee nor any of its subsidiaries is in default in the payment of principal of or interest on any indebtedness for borrowed money and no material default by Lessee or any of its subsidiaries (which default cannot be cured within any applicable grace period) has occurred under any instrument or agreement pursuant to which any indebtedness for borrowed money in excess of \$1,000,000 has been issued.

(h) No consent, approval or authorization of any governmental authority is required on the part of Lessee in connection with the execution and delivery and performance of any of the Operative Agreements and Lessee has complied with all applicable provisions of law requiring the designation, declaration, filing, registration and/or qualification with any governmental authority in connection with the execution and delivery and performance of said instruments.

(i) To the knowledge of the Lessee, all Federal, State and Foreign income tax returns required to be filed by Lessee have, in fact, been filed, and all taxes which are shown to be due and payable in such returns have been paid. No material controversy in respect of additional income taxes due is pending or, to the knowledge of Lessee, threatened, which controversy if determined adversely would materially and adversely affect Lessee's ability to perform its obligations under any of the Operative Agreements. The provision for taxes on the books of Lessee is, in the reasonable judgment of the Lessee, adequate for all open years, and for its current fiscal period.

4. TERM: The obligations under this Lease shall commence upon the written acceptance thereof by Lessee pursuant to an acceptance certificate and shall end upon full performance and observance of each and every term, condition and covenant set forth in this Lease, each Schedule thereto and any extensions thereof. The rental term of the Equipment listed in each Schedule shall commence as stated on the Schedules and shall terminate on the last day of the term stated in such Schedule unless such Schedule has been extended or otherwise modified in writing and signed by Lessor and Lessee. Lessor, at its option, may terminate any Schedule as to which the Equipment listed therein has not been delivered to, and accepted by, Lessee prior to November 13, 1992.

5. FINANCIAL STATEMENTS: Lessee agrees that it will furnish directly to Lessor, the Trustor and any Collateral Assignee (as defined in Paragraph 23 hereof) the following:

(a) As soon as available and in any event within 60 days after the end of the first three quarterly periods of each fiscal year, a consolidated balance sheet of Lessee as at the end of such period and a consolidated statement of operations, consolidated statement of stockholders' equity and consolidated statement of cash flow of Lessee for the period beginning on the first day of such fiscal year and ending on the date of such balance sheet, such consolidated statements setting forth, for each fiscal year following the fiscal year ending in 1991, the corresponding figures for the corresponding period of the preceding fiscal year, each prepared in accordance with generally accepted accounting principles in the United States consistently applied (subject to year-end adjustments and the absence of footnotes) and certified by the principal financial officer of Lessee;

(b) As soon as available and in any event within 120 days after the last day of each fiscal year, a copy of Lessee's consolidated balance sheet, consolidated statement of operations, consolidated statement of stockholders' equity and consolidated statement of cash flow, such consolidated statements setting forth, for each fiscal year following the fiscal year ending in 1991, the corresponding figures for the corresponding period of the preceding fiscal year, which statement will have been prepared in accordance with generally accepted accounting principles in the United States consistently applied and certified by a firm of independent public accountants of recognized national standing selected by Lessee;

(c) Within the period provided in subparagraph (b) above, a certificate, signed by the principal financial officer of Lessee, to the effect that the signer thereof is familiar with the terms and provisions of the Lease and that at the date of said certificate is not aware of any default in compliance by Lessee with any of the covenants, terms and provisions of the Lease or the other Operative Agreements, or if the signer is aware of any such default, he shall disclose in such certificate the nature thereof and the nature of the action Lessee is taking or proposes to take with respect thereto.

(d) Unless provided by Guarantor, within the periods provided in the Guaranty, the information required to be provided by the Guarantor under Paragraph 7(i) of the Guaranty.

6. RENTAL PAYMENTS: The rent for the Equipment described in each Schedule shall be due and payable on the dates set forth therein, or if not a business day, on the next preceding business day and, if designated on the applicable Schedule as an advance rent, shall be allocated to the six month period beginning on the date such rent is due and if designated on the applicable Schedule as an arrears rent, shall be allocated to the six month period ending on the day immediately prior to the date such rent is due. Rent payments shall be paid as provided in Exhibit A of each Lease Schedule as follows: (i) the amounts set forth on such

Exhibit A as being payable to Massachusetts Mutual Life Insurance Company shall be paid directly to Chemical Bank, ABA No. 021-000128, Institutional Custody Department, 55 Water Street, North Building, 3rd Floor, New York, New York 10041, for credit to Massachusetts Mutual Life Insurance Company's account number 321-029-852, (ii) the amounts set forth on such Exhibit A as being payable to Massachusetts Mutual Life Insurance Company shall be paid directly to Chemical Bank, ABA No. 021-000128, Institutional Custody Department, 55 Water Street, North Building, 3rd Floor, New York, New York 10041, for credit to Massachusetts Mutual Life Insurance Company's account number 321-029-828, (iii) the amounts set forth on such Exhibit A as being payable to MML Pension Insurance Company shall be paid directly to Citibank, N.A., ABA No. 021-000089, 20 Exchange Place, New York, New York 10005, for credit to MML Pension Insurance Company's account number 4001-2663, and (iv) the amounts set forth on such Exhibit A as being payable to Trustor shall be paid directly to Chase Manhattan Bank, N.A., ABA no. 021-000021, credit to NYNEX CONCENTRATION, account no. 910-2-499093, reference Solvay Polymers/NYNEX Credit Company -- Railroad Equipment Lease. Upon written notice by Lessor, Lessee shall make any of the foregoing payments as so directed by Lessor. All rent payments shall be made by wire transfer of immediately available funds. The receipt of any check or other item on account of any rental payment will not be considered as payment thereof until such check or other item is honored when presented for payment.

7. DELIVERY AND INSTALLATION: Lessee will select the type, quantity and supplier of each item of Equipment designated in the appropriate Schedule. Lessor shall have no liability for any delivery or failure by the supplier to fill the purchase order or meet the conditions thereof. Lessee at its expense, will pay on an after tax basis (to the extent such tax is actually paid by Lessor) all transportation, packing, taxes, duties, insurance, installation, testing and other charges in connection with the delivery, installation and use of the Equipment.

8. WARRANTIES: LESSOR, NOT BEING THE MANUFACTURER OF THE EQUIPMENT NOR THE MANUFACTURER'S AGENT, MAKES NO EXPRESS OR IMPLIED WARRANTY OF ANY KIND WHATSOEVER WITH RESPECT TO THE EQUIPMENT INCLUDING BUT NOT LIMITED TO: THE MERCHANTABILITY OF THE EQUIPMENT OR ITS FITNESS FOR ANY PARTICULAR PURPOSE; THE DESIGN OR CONDITION OF THE EQUIPMENT; THE QUALITY OR CAPACITY OF THE EQUIPMENT; THE WORKMANSHIP IN THE EQUIPMENT; COMPLIANCE OF THE EQUIPMENT WITH THE REQUIREMENT OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; PATENT INFRINGEMENT; OR LATENT DEFECTS. Lessee accordingly agrees not to assert any claim whatsoever against Lessor based thereon. Lessee further agrees, regardless of cause, not to assert any claim whatsoever against Lessor for loss of anticipatory profits or consequential damages. Lessor shall have no obligation to install, erect, test, adjust, service, or maintain the Equipment. Lessee shall look to the

manufacturer and/or seller for any claims related to the Equipment.

NOTWITHSTANDING THE FOREGOING, LESSEE'S OBLIGATIONS TO PAY THE RENTALS OR OTHERWISE PERFORM UNDER THIS LEASE SHALL BE AND ARE ABSOLUTE AND UNCONDITIONAL AND SHALL BE MADE FREE OF ANY SET-OFF, COUNTERCLAIM, ABATEMENT OR REDUCTION EXCEPT AS PROVIDED IN PARAGRAPH 19; provided that the foregoing shall not prevent Lessee from bringing any separate cause of action against Lessor for any breach by Lessor of the terms hereof.

To the extent held by Lessee, Lessee hereby assigns all manufacturer's and/or seller's warranties with respect to the Equipment to Lessor. To the extent permitted by the manufacturer or seller, during the term that this Lease is in effect and provided Lessee is not in default hereunder, Lessor shall make available to Lessee all manufacturer's and/or seller's warranties with respect to the Equipment.

9. TITLE TO AND LOCATION OF EQUIPMENT: Title to each item of Equipment leased hereunder shall remain with Lessor at all times and Lessee shall have no right, title or interest therein except as expressly set forth in this Lease. Lessee, at its expense, will protect and defend Lessor's title to the Equipment and will keep the Equipment free and clear from any and all claims, liens, encumbrances and legal processes except for (i) those created by, through or under Lessor which are unrelated to the transactions contemplated hereby and (ii) liens granted by Lessor for the benefit of any Collateral Assignee. Lessor assumes no liability and makes no representation as to the treatment by Lessee of this Lease, the Equipment or the Rental Payments for financial statement or tax purposes.

All items of Equipment shall at all times be and remain personal property. The Equipment shall be delivered to the location specified in the Schedule with respect thereto. Lessee shall at all times display notice of Lessor's ownership of the Equipment by affixing to each item of Equipment an identifying stencil or plate stating "This car is owned and leased by The Connecticut National Bank, as Owner Trustee" and Lessee will not alter, deface, cover or remove such ownership identification.

10. USE OF EQUIPMENT, INSPECTION AND REPORTS: Lessee may possess and use the Equipment in accordance with this Lease, provided that any such use is in conformity with all applicable laws, any insurance policies, and any warranties of the manufacturer with respect to the Equipment. Lessee shall restrict use of the Equipment to the Continental United States and Canada, and no more than 10 percent of the Equipment shall be located in Canada at any time. At the request of Lessee, Lessor agrees to consider in good faith a request by Lessee to operate the Equipment in Mexico; provided that Lessor shall not be required to so consider such use unless under the laws of Mexico, the interests of

Lessor and the Lenders may be protected to the same extent that similar protection is available in the United States.

Lessor shall have the right, upon reasonable prior notice to Lessee and during Lessee's regular business hours, to inspect the Equipment at the premises of Lessee or to the extent reasonable wherever the Equipment may be located. Lessee shall promptly notify Lessor of all details arising out of any alleged encumbrances on the Equipment or any accident which may result in a claim against Lessor allegedly resulting from the use or operation thereof.

Lessee, on or before each May 31 of the Lease Term, will furnish to Trustor an accurate statement of a responsible officer as of the preceding December 31, showing the percentage of use of the Equipment in the United States and Canada, respectively, as well as a breakdown, on a state-by-state basis, of such use in the United States; provided that if Lessee does not prepare such statements for its own use on an item by item basis, Lessee may deliver such information on a fleet wide basis for all Equipment of a similar nature operated by Lessee.

Lessee shall use the Equipment only in the manner for which it was designed and intended and so as to subject it only to ordinary wear and tear. Lessee shall not use the Equipment to transport any substance or other material designated in Section 172 or Section 173 of Title 49 of the Code of Federal Regulations, as it may be amended, or any successor provision thereto, and shall not modify or alter or make any additions or improvements to any Equipment in any manner which will decrease the value, utility or useful life of such Equipment; provided, that notwithstanding the foregoing, Lessee shall at all times be permitted to use the Equipment to transport solid thermoplastic polyolefin resins and vinyl polymers. Any parts installed or replacements made by Lessee upon any item of Equipment shall be considered accessions to such Equipment and title shall be immediately vested in Lessor at no cost or expense to Lessor, except, in the case of parts installed upon any Equipment which are not replacements, title shall remain with Lessee if (i) such parts are readily removable without damage to the Equipment, (ii) such parts are removed by Lessee at its sole cost and expense prior to the return of the Equipment to Lessor and (iii) such parts are not required by law to be attached.

11. OPERATING RULES AND REGULATIONS: Lessee agrees to comply with all local, state and Federal governmental laws, regulations and requirements relating to the operation and/or use of the Equipment, including the Interchange Rules and all other rules of the Association of American Railroads (or any successor thereto) and the Interstate Commerce Commission. In case any equipment or appliance on any Equipment shall be required to be changed or replaced, or any additional or other equipment or appliance is required to be installed on such Equipment in order to

comply with such laws, regulations, requirements and rules, Lessee agrees to make such changes, additions and replacements at its own expense and title thereto shall be immediately vested in Lessor.

12. **FURTHER ASSURANCES:** Lessee shall execute and deliver to Lessor upon Lessor's request such instruments and assurances and take such other actions as Lessor in the reasonable exercise of its discretion deems necessary or advisable for the confirmation or perfection of this Lease and Lessor's rights hereunder or for the effectuation of the intent hereof. In furtherance thereof, Lessor may file or record this Lease or a financing statement with respect thereto so as to give notice to any interested parties. Lessor is authorized to file a financing statement or a continuation statement concerning the Equipment signed only by Lessor in accordance with the Uniform Commercial Code or one signed by Lessor as Lessee's attorney-in-fact. Any such filing or recording shall be precautionary only and shall not be deemed evidence of any intent to create a security interest under the Uniform Commercial Code.

13. **RISKS OF LOSS:** All risk of loss, damage, theft or destruction to each item of Equipment shall be borne by Lessee. No such loss, damage, requisition, condemnation, theft or destruction of the Equipment, in whole or in part, shall impair the obligations of Lessee under this Lease all of which shall continue in full force and effect and Lessee, at Lessor's option, shall either (a) place the affected Equipment in good repair, condition and working order or (b) if the affected Equipment is a total loss, pay Lessor on either of the two succeeding SLV Dates (as defined in Section 26) (the selection of such SLV Date to be at Lessee's option) the Stipulated Loss Value with respect to such affected Equipment (which Stipulated Loss Value shall be the amount determined in accordance with the applicable Schedule) less the net amount of the recovery, if any, actually received by Lessor from insurance or otherwise for such loss, damage, theft or destruction. After compliance with the foregoing to Lessor's satisfaction and provided Lessee is not in default under this Lease, Lessee shall be subrogated to Lessor's right with respect to any insurance policies (other than under policies paid for by Lessor) or claims for reimbursement by others with respect to such loss, damage, theft or destruction.

14. **INSURANCE:**

(a) Public Liability and Property Damage Insurance. Lessee represents and warrants that it will maintain in effect, at its own expense (i) public liability insurance with combined single limit coverage in an amount not less than the greater of (a) \$1,000,000.00 or (b) such other amounts as a prudent operator of similar equipment used in a similar manner to carry similar products would maintain and (ii) such other property damage liability insurance (exclusive of manufacturer's product liability

insurance) with respect to the Equipment as is of the type and in the amount as specified in each Schedule. All insurance provided for in this section shall be effected with insurers similar to those insurers who customarily provide public liability insurance to Lessee's industry.

(b) Insurance Against Loss or Damage to Equipment. Lessee represents and warrants that it will self insure for all risk insurance covering the Equipment including fire and explosion, and lightning and electrical damage, provided that such insurance shall at all times while the Equipment is subject to this Lease be for an amount which, when paid, will be not less than the Stipulated Loss Value for the Equipment from time to time as set forth in each Schedule.

(c) Lessor as Additional Insured; Notice. Any policies of insurance carried in accordance with this Section and any policies taken out in substitution or replacement for any such policies (i) shall be amended to name Lessor, in both its individual and trust capacities, as owner of the Equipment, the Trustor and the Collateral Assignee as additional named insureds thereunder, (ii) with respect to insurance carried in accordance with paragraph (b) covering the Equipment shall be made payable to the Collateral Assignee or, if none, to Lessor, as loss payee. Lessee shall furnish certificates to Lessor once each year in the month of July from an independent insurance broker certifying as to the insurance carried by Lessee as required by this Section 14. Any insurance policy required by this Section 14 shall provide that (x) it shall not be cancelled or materially adversely changed until at least 30 days prior notice has been provided by the relevant insurer to the Lessor, the Trustor and the Collateral Assignee of such cancellation or change and (y) it shall not be a defense to payment that the Lessee or any of its affiliates or any user of the Equipment has breached any condition, representation or warranty of the policy or has used the Equipment in a manner prohibited by the policy or that the ownership or possession of the Equipment has changed.

(d) Primary Insurance. The policies of insurance under paragraph (a) shall provide that such insurance shall be primary insurance and that the insurers thereunder shall be liable thereunder without right of contribution from any other insurance coverage effected by or on behalf of Lessor, the Trustor or the Collateral Assignee.

15. EXPENSES, FEES AND TAXES: In addition to the Rental Payments, Lessee shall pay promptly when due and shall indemnify and hold Lessor (in both its individual and trust capacities), Trustor and their parents and affiliates (each, a "Tax Indemnitee") harmless on an after-tax basis against all costs, expenses, fees, charges, levies, withholdings, and taxes (including sales, use, excise, personal property, ad valorem, value added, leasing, stamp

and documentary) and any penalties, fines or interest required to be paid in connection therewith incurred in connection with the titling, licensing, registration, use, rental, shipment, transportation, delivery, purchase, ownership, repair, modification or operation of the Equipment, and in connection with or relating to this Lease and any Schedule. In case any report or return is required to be filed with respect to any taxes, Lessee will, to the extent legally permissible, file such report or return or notify the Tax Indemnatee in writing to the extent such Tax Indemnatee must file such report or return in sufficient time for such Tax Indemnatee to make such filing of the required report or return. Notwithstanding the foregoing, the applicable Tax Indemnatee shall be responsible for any penalty, fine or similar charge payable as the result of the failure by such Tax Indemnatee to file a report or return, which has been prepared by Lessee, required to be filed by such Tax Indemnatee if such failure occurs after such Tax Indemnatee has been requested to do so in writing by Lessee in a timely manner. All reports and returns filed by Lessee will be in Lessee's name and account number but, where applicable, shall show Lessor as owner of the Equipment. To the extent reasonably requested by the applicable Tax Indemnatee, Lessee will promptly supply such Tax Indemnatee a copy of such reports or returns. Lessee shall promptly reimburse the applicable Tax Indemnatee for any taxes charged to or assessed against such Tax Indemnatee except for state or federal net income taxes or franchise taxes other than franchise taxes on gross revenues.

If Lessee should fail to pay any of the costs, expenses, fees, charges and taxes for which Lessee is liable hereunder, the applicable Tax Indemnatee may, but shall not be required to pay the same for the account of Lessee. Lessee shall reimburse such Tax Indemnatee, upon demand, as additional rental hereunder, on an after-tax basis for the full amount of any costs, expenses, taxes or other charges paid by such Tax Indemnatee which constitute an obligation of Lessee hereunder. Lessee shall pay all fees and expenses of the Lessor, including without limitation, initial acceptance, annual and on-going fees and expenses and reasonable counsel fees and expenses.

16. LESSOR'S PERFORMANCE OF LESSEE'S OBLIGATIONS: If Lessee shall fail to duly and promptly perform any of its obligations under this Lease with respect to the Equipment, Lessor may (at its option) perform any act or make any payment which Lessor deems necessary for the maintenance and preservation of the Equipment and Lessor's title thereto, including payments for satisfaction of liens, repairs, taxes, levies and insurance and all sums so paid or incurred by Lessor, together with interest as provided below, and any reasonable legal fees incurred by Lessor in connection therewith shall be additional rent under this Lease and payable by Lessee to Lessor on demand. The performance of any act or payment by Lessor as aforesaid shall not be deemed a waiver or release of any obligation or default on the part of Lessee.

17. LATE CHARGES: Should Lessee fail to duly pay any part of any Rental Payment or other sum to be paid to Lessor under this Lease, then Lessee shall pay interest on such delinquent payment from the due date until paid at the rate per annum set forth in the relevant Lease Schedule.

18. INDEMNIFICATION: Lessee assumes liability for, and hereby agrees to indemnify, protect and keep harmless Lessor, in both its individual and trust capacities, Trustor, any Collateral Assignee and their respective agents, employees, officers, directors, successors and assigns on an after tax basis from and against any and all liabilities, obligations, losses, damages, injuries, claims, demands, penalties, actions, costs and expenses, including reasonable attorney's fees, of whatsoever kind and nature, arising out of or associated with the use, condition (including, but not limited to, latent and other defects and whether or not discoverable), repair, modification, maintenance, improvement, substitution, operation, ownership, selection, delivery, leasing or return of any item of Equipment, regardless of where, how and by whom operated, or any failure on the part of Lessee to perform or comply with any conditions of this Lease, the Trust Agreement or other Operative Agreements. The indemnities and assumptions of liabilities and obligations herein provided for shall continue in full force and effect notwithstanding the expiration or other termination of this Lease. Lessee is an independent contractor and nothing contained in this Lease shall authorize Lessee or any other person to operate any item of Equipment so as to incur or impose any liability or obligation for or on behalf of Lessor or Trustor.

19. NO OFFSET: This Lease is a net lease and all Rental Payments shall be paid when due by Lessee irrespective of any set-off, counterclaim, recoupment, defense or other right which Lessee may have against Lessor, Trustor, the supplier of the Equipment, or any other party, except that the Lessee shall have a right of offset if Lessee's right of quiet enjoyment as provided for in Paragraph 32 hereof is interrupted by Lessor or any Collateral Assignee to the extent such interruption effectively precludes Lessee from utilizing the Equipment, unless such interruption occurs as a result of, or concurrently with (other than as a result of Lessee's exercise of its right of offset pursuant to this Section 19), Lessee's failure to perform any of its material obligations or covenants hereunder. This section shall not be construed so as to prohibit any separate action by Lessee against Lessor or Trustor with respect to any right or action arising out of or related to this Lease or the transactions contemplated hereby.

20. SPECIAL TERMINATION: At any time prior to the later of 90 days after (i) the receipt from Guarantor or Lessee of written notice of a Change of Control Event or (ii) the occurrence of a Change of Control Event, Lessor shall have the right, by

written notice to Lessee, to terminate the Lease on a date specified in such notice which is not less than thirty days and not more than sixty days after delivery of such notice. Upon such termination date, at the direction of Lessor, Lessee shall pay an amount equal to the higher of Stipulated Loss Value or fair market value (determined on the assumption that the Equipment is in the condition required by, and is unencumbered by, this Lease) plus (i) all amounts due and owing to Lessor or any other person under this Lease and (ii) any amounts payable by Lessor under Section 6 of the Security Agreement. For purposes of this Section 20, "Change of Control Event" shall mean either (x) the acquisition by any Person or Persons other than Guarantor or a wholly owned subsidiary of Guarantor, directly or indirectly of (i) 50% or more of the ownership of the equity of Lessee, by contract or otherwise or (ii) the power to elect, appoint or cause the election or appointment of a majority of the members of the board of directors of Lessee or (y) the acquisition by any Person or Persons other than Solvay S.A., a Belgian societe anonym, or a wholly owned subsidiary of Solvay, S.A. of (i) 50% or more of the equity of Guarantor, by contract or otherwise or (ii) the power to elect, appoint or cause the election or appointment of a majority of the members of the board of directors of Guarantor.

21. [Reserved]

22. ASSIGNMENT BY LESSEE: Without Lessor's prior written consent, which shall not be unreasonably withheld, Lessee may not, by operation of law or otherwise, (a) assign, transfer, pledge, hypothecate or otherwise dispose of this Lease or any interest therein or (b) sublet or lend the Equipment or permit same to be used by anyone other than Lessee or Lessee's employees, provided, however, that Lessee may (i) allow the Equipment to be used for any shipment by a commercial carrier or (ii) trip lease the Equipment to its customers, in either event, in the normal course of Lessee's business. Except as permitted by the foregoing sentence or with the written consent of Lessor or if necessary for the repair or maintenance of the Equipment, Lessee agrees that it shall not part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Equipment. Irrespective of any permitted sublease or trip lease, Lessee agrees to remain primarily liable to Lessor under all terms and conditions of this Lease.

23. ASSIGNMENT BY LESSOR: For the purpose of providing funds for financing the purchase of the Equipment or for any other purpose, Lessee agrees (a) that Lessor may assign, transfer, convey, sell or encumber all or any other part of this Lease, the Equipment and the Rental Payments hereunder (any such assignee taking such assignment of collateral being referred to as a "Collateral Assignee") and (b) in the event of any such assignment of Rental Payments hereunder and written notice thereof to Lessee, to unconditionally pay directly to any such assignee all rentals

and other sums due or to become due under this Lease and (c) that the Equipment leased hereunder may be mortgaged by Lessor under a chattel mortgage. In any such event, the right, title and interest of the mortgagee under any such chattel mortgage shall by express terms of such chattel mortgage be subject to the leasehold interest of Lessee in and to the Equipment hereunder. THE RIGHTS OF ANY SUCH ASSIGNEE SHALL NOT BE SUBJECT TO ANY DEFENSE, COUNTERCLAIM OR SET OFF WHICH LESSEE MAY HAVE AGAINST LESSOR, TRUSTOR, MANUFACTURER OR ANY OTHER PERSON, EXCEPT AS PROVIDED IN PARAGRAPH 19. Notwithstanding the foregoing, any such assignment, transfer or conveyance (a) shall be subject to Lessee's right to possess and use the Equipment so long as Lessee is not in default under this Lease and (b) shall not release any of Lessor's obligations hereunder or any claim which Lessee has against Lessor or Trustor. Lessor agrees that no such assignment, conveyance or transfer shall knowingly be made to any competitor, material customer (or prospective material customer, designated such in writing by Lessee) or material supplier of Lessee without Lessee's consent.

For purposes of this Section 23, a competitor of Lessee shall mean only those companies which (i) as a substantial part of their business are engaged in the business of manufacturing solid thermoplastic polyolefin resins or vinyl polymers or any product line which accounts for 15% or more of Lessee's sales or (ii) have business operations that compete with any chemical operations of the Guarantor or any of its subsidiaries, provided that a competitor shall in no event mean any bank, credit or finance corporation, insurance company, leasing company, pension fund or employee benefit plan, mutual fund or any other financial institution or person primarily engaged in a financial services business, including without limitation, any investment bank, any registered investment company, any registered investment advisor or manager, or any savings and loan institution, notwithstanding that such financial institution or person is, or is affiliated with, a person or entity which would otherwise be a competitor hereunder. At the request of Lessor, which request shall be made prior to any transfer by Lessor of the Equipment or its interest hereunder, Lessee shall provide, within 10 days of the date of such request, a schedule of persons which Lessee believes to be its competitors, provided that, at the further request of Lessor, Lessee shall be required to either (i) provide evidence satisfactory to Lessor that any person named on such schedule is actually a competitor of Lessee or (ii) remove such person from such schedule. Lessee agrees to execute to any Collateral Assignee, transferee or other assignee such consents and acknowledgements as are customary in such transaction.

24. MAINTENANCE, REPAIRS AND RETURN OF EQUIPMENT: Lessee shall, at no expense to Lessor, maintain the Equipment in good repair and operating condition, normal wear and tear excepted. Lessee shall assure that the Equipment complies with the applicable interchange standards set for such Equipment by the Association of

American Railroads ("AAR"), the Equipment is in good operating order by industry standards and fit for the purposes for which they were designed, and satisfy the tests described below;

a. All damaged or broken parts will be repaired according to AAR Specifications;

b. Exterior sides will be free of rust and corrosion, except for minor surface rust, and will be painted according to a standard paint scheme, free of any and all advertising and notices other than receiving numbers and Lessee's corporate identification;

c. Equipment will conform to United States Department of Transportation regulations or those of any other government agency having jurisdiction over the use and operation of the Equipment;

d. Equipment will be returned with undercarriage systems, including any related trucks and rollers of a type, size and quality standard according to original manufacturing specifications, and will be clean and in good repair and operating condition;

At Lessee's expense, Lessee shall provide written evidence from a mutually acceptable independent party that the Equipment returned meets the specifications above.

Any deficiencies determined by such inspection shall be the responsibility of Lessee.

Upon payment in full of all Rental Payments and all other sums due under this Lease for the Equipment described in any Schedule,.. Lessee will, at its expense, insure and deliver such items of Equipment to Lessor as provided in the next paragraph. In the Event of Default by Lessee under this Lease, Lessee will return all Equipment to Lessor in the same manner. All Equipment so delivered by Lessee to Lessor shall be returned to the designated location in the same condition as when first delivered to Lessee, reasonable wear and tear resulting from authorized use thereof alone excepted and in the condition required by this Lease.

Should Lessor elect to take possession of the Equipment, Lessee shall deliver possession of such Equipment to Lessor and shall give prompt telegraphic and written notice to the Association of American Railroads and all railroads having possession of any Equipment so to return such Equipment. For the purpose of delivering possession of any Equipment to Lessor as required above, Lessee will, at its own expense and risk, at Lessor's request: (i) forthwith and in the usual manner cause such Equipment to be transported to the storage tracks of Lessee in Harris County, Texas, and there assembled; (ii) furnish storage of or arrange for Lessor to store such equipment on Lessee's storage tracks until

such Equipment has been sold, leased or otherwise disposed of by Lessor, such period not to exceed 30 days; and (iii) cause such Equipment to be transported to such interchange point or points as shall be designated by Lessor upon any sale, lease or other disposition of all or any of such Equipment. All movement to and storage of each piece of Equipment at Lessee's storage track is to be at the risk and expense of Lessee. Movement of the Equipment from Lessee's storage track shall be at the risk and expense of Lessee for the first 250 miles and thereafter at the risk and expense of Lessor.

25. EVENTS OF DEFAULT: Lessee shall be in default under this Lease upon the happening of any of the following events or conditions ("Events of Default"):

a. Default by Lessee or Guarantor in payment of any installment of rent to Lessor under this Lease or otherwise and the continuance of such default for ten (10) consecutive days; or

b. Default by Lessee or Guarantor in payment or performance of any indebtedness, obligation, covenant or liability (except rent) contained in this Lease or the Guaranty or any other agreement or document between Lessee or Guarantor and Lessor and the continuance of such default for ten (10) consecutive days after written notice thereof by Lessor to Lessee or Guarantor; or

c. any warranty, representation or statement made or furnished to Lessor by or on behalf of Lessee or Guarantor herein, in the Guaranty or in any other document or certificate furnished to Lessor proves to have been false in any material respect when made or furnished; or

d. intentional damage, destruction, or the attempted sale or encumbrance by Lessee of any of the Equipment, or the making of any levy, seizure or attachment thereof or thereon; or

e. dissolution, termination of existence, discontinuance of its business, insolvency, business failure or appointment of a receiver of any part of the property of, or assignment for the benefit of creditors by Lessee or Guarantor or the commencement of any proceedings under any voluntary bankruptcy, reorganization or arrangement laws by or against Lessee or Guarantor; or

f. in the event of an involuntary bankruptcy or the appointment of a receiver without Lessee's or Guarantor's consent, such bankruptcy or appointment continues and is ongoing for a period of sixty (60) consecutive days.

26. REMEDIES OF LESSOR: Upon the occurrence of any Event of Default and at any time thereafter (subject to any applicable

grace provisions) Lessor may without any further notice exercise one or more of the following remedies as Lessor in its sole discretion shall elect: (a) declare all unpaid rentals due and to become due under this Lease to be immediately due and payable; (b) terminate this Lease as to any or all items of Equipment; (c) take possession of the Equipment wherever found without any liability or suit, action or other proceeding by Lessor and remove the same; (d) cause Lessee at its expense to promptly return the Equipment to Lessor and in the condition set forth in Paragraph 24; (e) use, hold, sell, lease or otherwise dispose of the Equipment or any item thereof without affecting the obligations of Lessee as provided in this Lease; (f) sell or lease the Equipment or any part thereof at such time or times and upon such terms, at public auction or by private sale, as Lessor may determine, free and clear of any rights of Lessee and, if notice thereof is required by law, any notice in writing of any such sale or lease by Lessor to Lessee not less than ten (10) days prior to the date thereof shall constitute reasonable notice thereof to Lessee; (g) proceed by appropriate action either by law or in equity to enforce performance by Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; (h) exercise any and all rights accruing to a Lessor under any applicable law upon a default by a lessee; or (i) exercise any available remedies under the Guaranty. In addition, Lessor shall be entitled to recover on any date set forth in Schedule B to the Lease Schedules (the "SLV Dates") as liquidated damages for loss of a bargain and not as a penalty an amount equal to the Stipulated Loss Value for the Equipment (determined in accordance with the applicable Schedule), together with interest as provided herein. After default, at the request of Lessor and to the extent requested by Lessor, Lessee shall comply with the provisions of Paragraph 24 of this Agreement. Lessor may, but shall not be required to, sell Equipment at private or public sale, in bulk or in parcels, with or without notice, without having the Equipment present at the place of sale; or Lessor may, but shall not be required to, lease, otherwise dispose of or keep idle all or part of the Equipment; and Lessor may use Lessee's premises for any or all of the foregoing without liability for rent, costs, damages or otherwise. The proceeds of sale, lease or other disposition, if any, shall be applied (1) to all Lessor's costs, charges and expenses incurred in taking, removing, holding, repairing and selling, leasing or otherwise disposing of Equipment; then (2) to the extent not previously paid by Lessee, to pay Lessor the liquidated damages described above and all other sums, including any unpaid rent and any indemnification then remaining unpaid thereon; then (3) to reimburse to Lessee any such sums previously paid by Lessee as liquidated damages; and then (4) any surplus shall be retained by Lessor; Lessee shall pay any deficiency in (1) and (2) forthwith. Should Lessor, however, estimate its actual damages in lieu of or in addition thereto, Lessor shall not be obligated to sell, lease or otherwise dispose of any item of repossessed Equipment hereunder if it would impair the sale, lease or other disposition of similar equipment in the ordinary course of

Lessor's or Trustor's business or which was previously repossessed by Lessor or Trustor from any party. None of the remedies under this Lease are intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to herein or otherwise available to Lessor in law or in equity. Any repossession or subsequent sale or lease by Lessor of any item of Equipment shall not bar an action for a deficiency as herein provided, and the bringing of an action or the entry of judgment against Lessee shall not bar Lessor's right to repossess any or all items of Equipment. In no event shall Lessor be entitled to recover from Lessee more than the sum of (a) the liquidated damages, as defined above and (b) all of Lessor's costs, charges and expenses incurred in taking, removing, holding, repairing and selling, leasing or otherwise disposing of the Equipment.

27. SEVERABILITY: Any provision of this Lease which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition and unenforceability without invalidating the remaining provisions hereof. To the extent permitted by applicable law, Lessee hereby waives any provision of law which prohibits or renders unenforceable any provisions hereof in any respect.

28. NOTICES: Any notice or other communication given under this Lease shall be sent to the following address:

(a) If to Lessor at:

The Connecticut National Bank
777 Main Street
Hartford, Connecticut 06115
Attention: Corporate Trust Administration
telecopy no: (203) 240-7920
confirmation no: (203) 722-9090

with a copy to Trustor at:

NYNEX Credit Company
335 Madison Avenue
New York, N.Y. 10017
Attention: Asset Administrator
telecopy no: (212) 370-7436
confirmation no: (212) 370-7738

and to Lender at:

Address for all notices relating to payments

Massachusetts Mutual Life Insurance Company
1295 State Street
Springfield, MA 01111
Attention: Securities Custody and Collection

Department
telecopy no: (413) 744-6263
confirmation no: (413) 744-5104

Address for all other communications and notices

Massachusetts Mutual Life Insurance Company
1295 State Street
Springfield, MA 01111
Attention: Securities Investment Division
telecopy no: (413) 744-6127
confirmation no: (413) 744-2477

(b) If to Lessee at:

Solvay Polymers, Inc.
3333 Richmond Avenue
Houston, TX 77098
Attn: General Counsel
telecopy no: (713) 525-7887
confirmation no: (713) 525-6080

Any such notice or other communication shall, if not actually delivered prior thereto, be deemed to have been delivered (i) five (5) business days after the date when it shall have been mailed by registered or certified mail, all charges prepaid or (ii) one day after the date when it shall have been sent by a reputable overnight courier service. Notice or other communications transmitted in any other fashion shall be deemed delivered when actually delivered at the address or party to which notices may be sent. Each party shall notify the other of a change of address for notices to the other party as herein provided.

29. AMENDMENTS AND WAIVERS: This instrument and the Schedules executed by Lessor and Lessee constitute the entire agreement between Lessor and Lessee with respect to the Equipment and the subject matter of this Lease. No term or provision of this Lease may be changed, waived, amended or terminated except by a written agreement signed by both Lessor and Lessee, except that Lessor may insert the serial number of any item of Equipment on the appropriate Schedule after delivery thereof. No express or implied waiver by Lessor of any Event of Default hereunder shall in any way be, or be construed to be, a waiver of any future or subsequent Event of Default whether similar in kind or otherwise.

30. CONSTRUCTION: THIS LEASE SHALL IN ALL RESPECTS BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW. The titles of the sections of this Lease are for convenience only and shall not define or limit any of the terms or provisions hereof. Time is of the essence of this Lease in each of its

provisions.

31. PARTIES: The provisions of this Lease shall be binding upon, and inure to the benefit of, the assigns, transferees, representatives and successors of Lessor and Lessee. If there is more than one Lessee named in this Lease, the liability of each shall be joint and several.

32. LESSEE'S QUIET ENJOYMENT: So long as Lessee shall pay and perform all of its obligations and covenants hereunder, its quiet enjoyment of the Equipment shall not be disturbed by any party lawfully claiming by, through or under Lessor. By acceptance of any assignment of this Lease, any assignee hereof agrees, with and for the benefit of Lessee, that as long as Lessee shall perform all of its obligations and covenants hereunder, and notwithstanding any default of Lessor, Lessee's quiet enjoyment shall not be disturbed by such assignee or any party lawfully claiming by, through or under such assignee.

33. EXPENSES: If the transactions contemplated hereby are consummated, Lessor shall pay the fees and expenses of Morgan, Lewis & Bockius, Trustor's counsel, of Day, Berry & Howard, the Collateral Assignee's counsel, and of any appraiser hired by Lessor or Trustor and, if all or a portion of such transactions are not consummated for any reason (other than a failure to consummate any of the transactions as the result of the breach by Trustor of its letter agreement with Lessee dated July 14, 1992, in which case the fees and expenses of counsel to Trustor shall be paid by Trustor), Lessee shall pay all such fees and expenses. In addition, in all events, Lessee shall pay all initial and ongoing fees and expenses (including legal fees) of itself and of Lessor as well as any other transaction expenses.

34. TAX INDEMNITY: Lessee acknowledges that the rent payment provided for in Paragraph 6 is computed on the assumptions that (a) Trustor will be entitled to depreciation deductions, with respect to the invoice price of each item of Equipment, allowed under Section 167(a) and 168(a) of the Internal Revenue Code of 1986 as amended (the "Code") as in effect on the date hereof, utilizing the applicable (1) depreciation method provided in Section 168 (b) (1) (A) and (B) of the Code; (2) convention described in Section 168(d) (1) of the Code; and (3) recovery period and classification of 7 years as determined under Section 168(c) and (e) of the Code, commencing in Trustor's current taxable year and cost recovery deductions or depreciation deductions for state or local income tax purposes (such deductions being referred to hereinafter as "Tax Benefits"); (b) all amounts includable in the gross income of Trustor with respect to the Equipment and all deductions attributable to the transactions contemplated by this Lease and the loan from the Lender will be treated as derived from or allocable to sources within the United States; and (c) Trustor has sufficient taxable income to fully utilize all Tax Benefits.

Lessee represents and warrants to Trustor that (v) under current law Trustor is entitled to take such Tax Benefits and that it has not, and will not, at any time during the term of the Agreement, take any action or omit to take any action (whether or not the same is permitted or required hereunder) which, under the Code, will result in the loss or delay by Trustor of all or any part of the Tax Benefits and (w) all amounts includable in the gross income of Trustor with respect to the Equipment and all deductions attributable to the transactions contemplated by this Lease and the loan from the Lender will be treated as derived from or allocable to sources within the United States. If as a result of any act, omission or misrepresentation of Lessee, or any sublessees or other users of the Equipment possessing or using the Equipment during the term of this Lease, Tax Benefits are lost, disallowed, eliminated, reduced, recaptured, compromised, delayed or otherwise made unavailable to Trustor (any of the foregoing being hereafter called a "Loss"), Lessee shall promptly pay to Trustor on demand, as additional rent, an amount in cash which in the opinion of Trustor is equal to that which provides Trustor with the same net aggregate and periodic after-tax earnings for book accounting purposes (using the method prescribed for leveraged leases in accordance with FASB 13) that Trustor originally anticipated realizing from the transaction contemplated by the Lease Agreement had it not been for the Loss. The amount payable to Trustor shall be paid no later than 15 days after receipt of a written demand therefor from Trustor accompanied by a written statement describing in reasonable detail such Loss and the computation of the amount so payable. The repair, replacement or destruction of any item of Equipment, not resulting for any reason in payment of any Stipulated Loss Value therefor, shall constitute the act of Lessee for purposes of this Paragraph 34. In the event of a breach of the representation and warranty as stated in (w) above, if any item of income credit or deduction with respect to the Equipment or otherwise with respect to the transactions contemplated by this Lease or the loan from the Lender shall not be treated as derived from, or allocable to, sources within the United States for a given taxable year (any such event hereinafter referred to as a "Foreign Loss"), then Lessee shall pay to Trustor as an Indemnity, on the next succeeding rent payment date, or in any event within fifteen (15) days after written demand to Lessee by Trustor, such amount as, after deduction of all taxes required to be paid by Trustor in respect of the receipt of such amounts under the laws of any Federal, state or local government or taxing authority of the United States, shall equal the sum of: (i) the excess of (x) the foreign tax credits which Trustor would have been entitled to for such year had no such Foreign Loss occurred over (y) the foreign tax credit to which Trustor was limited as a result of such Foreign Loss and (ii) the amount of any interest, penalties or additions to tax payable as a result of such Foreign Loss. For purposes of this Paragraph 34, the term "Trustor" shall include the affiliated taxpayer group within the meaning of Section 1504 of the Code of which Trustor is a member. The provisions of this Paragraph 34 shall expire upon

conclusion of all statutes of limitations relevant to the provisions of this Paragraph 34. Lessee agrees that Trustor is a third party beneficiary of this Paragraph 34, and of all other Paragraphs which herein reference "Trustor" and that all provisions thereof may be enforced by Trustor directly in its own name.

LESSEE HEREBY ACKNOWLEDGES RECEIPT OF AN EXECUTED AND TRUE COPY OF THIS LEASE AND THAT IT IS NON-CANCELABLE.

IN WITNESS WHEREOF, Lessor and Lessee have each caused this Lease to be duly executed.

LESSOR:

LESSEE:

THE CONNECTICUT NATIONAL BANK,
not in its individual capacity
but solely as trustee, as Lessor

SOLVAY POLYMERS, INC.

By: 

By: _____

Printed Name: Robert L. Reynolds

Printed Name: _____

Title: Corporate Trust Officer

Title: _____

Date: _____

Date: _____

STATE OF CONNECTICUT)
COUNTY OF HARTFORD) ss.:

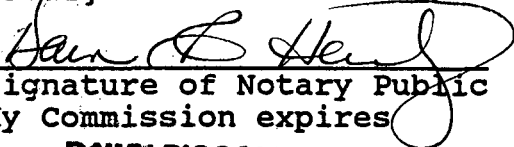
STATE OF _____)
COUNTY OF _____) ss.:

On this ____ day of August, 1992 before me personally appeared Robert L. Reynolds to me personally known, who being by me duly sworn, says that he is the Corporate Trust Officer of The Connecticut National Bank, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

On this ____ day of August, 1992 before me personally appeared _____ to me personally known, who being by me duly sworn, says that he is the _____ of Solvay Polymers, Inc., that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Seal]

[Seal]


Signature of Notary Public
My Commission expires _____

Signature of Notary Public
My Commission expires _____

DAWN PICCOLI HEINTZ
NOTARY PUBLIC
MY COMMISSION EXPIRES MAY 31, 1997

IN WITNESS WHEREOF, Lessor and Lessee have each caused this Lease to be duly executed.

LESSOR:

LESSEE:

THE CONNECTICUT NATIONAL BANK,
not in its individual capacity
but solely as trustee, as Lessor

SOLVAY POLYMERS, INC.

By: _____

Printed Name: _____

Title: _____

Date: _____

STATE OF _____)
COUNTY OF _____) SS.:

On this _____ day of August, 1992 before me personally appeared _____ to me personally known, who being by me duly sworn, says that he is the _____ of The Connecticut National Bank, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Seal]

Signature of Notary Public
My Commission expires

By: David Birney

Printed Name: David Birney

Title: Exec. VP & General Mgr.

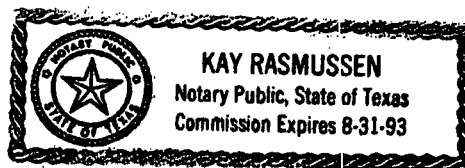
Date: 8-13-92

STATE OF Texas)
COUNTY OF Harris) SS.:

On this 13th day of August, 1992 before me personally appeared David Birney to me personally known, who being by me duly sworn, says that he is the Exec. VP & of Solvay Polymers, Inc., General Mgr. that the seal affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Seal]

Signature of Notary Public
My Commission expires



LEASE SCHEDULE

Master Equipment
Lease Agreement No. 1992-1

Master Equipment
Lease Agreement Date: as of August 1, 1992

Lease Schedule No.: 1

Lease Schedule Date: August 14, 1992

Between THE CONNECTICUT NATIONAL BANK, as Owner Trustee (Lessor)
and SOLVAY POLYMERS, INC. (Lessee).


1. Equipment Description: Manufacturer and Serial
Number

<u>Quantity</u>	<u>Item</u>	<u>Number</u>
268	5800 cu. ft. plastic pellet covered hopper cars	ACF Industries Incorporated; ELTX Nos: See Addendum
2. Equipment location:
The above Equipment is to be delivered to La Porte, Texas
3. Billing Address:
3333 Richmond Avenue, Houston, TX 77098, Attn: Accounts
Payable
4. Original Rental Term:
The date hereof through February 12, 2013
5. Rental for original Rental Terms:
payable per attached Exhibit A
6. Acquisition Cost: \$13,137,088; Cost per car: \$49,018.99
7. Stipulated Loss Value: As of any date set forth on
Exhibit B hereto, the percentage of Acquisition Cost
listed opposite such date, which amount includes all rent
due or accrued, on a per diem basis, through such date.
8. Interest Rate on Late Payments: 10.17% per annum

9. THIS SCHEDULE AND ITS TERMS AND CONDITIONS ARE HEREBY INCORPORATED BY REFERENCE IN THE ABOVE MASTER EQUIPMENT LEASE AGREEMENT. LESSEE PERMITS LESSOR TO INSERT MODEL AND SERIAL NUMBERS OF EQUIPMENT WHEN DETERMINED BY LESSOR.

THE CONNECTICUT NATIONAL
BANK, not in its
individual capacity but solely
as Trustee under a Trust
Agreement dated as of August 1,
1992

SOLVAY POLYMERS, INC.
(Lessee)

By: 
Title: Corporate Trust Officer
Date: _____

By: _____
Title: _____
Date: _____

9. THIS SCHEDULE AND ITS TERMS AND CONDITIONS ARE HEREBY INCORPORATED BY REFERENCE IN THE ABOVE MASTER EQUIPMENT LEASE AGREEMENT. LESSEE PERMITS LESSOR TO INSERT MODEL AND SERIAL NUMBERS OF EQUIPMENT WHEN DETERMINED BY LESSOR.


THE CONNECTICUT NATIONAL
BANK, not in its

SOLVAY POLYMERS, INC.
(Lessee)

individual capacity but solely
as Trustee under a Trust
Agreement dated as of August 1,
1992

(Lessor)

By: _____
Title: _____
Date: _____

By: 
Title: Executive Vice President & General Manager
Date: _____

LEASE SCHEDULE

**Master Equipment
Lease Agreement No. 1992-1**

**Master Equipment
Lease Agreement Date: as of August 1, 1989**

Lease Schedule No.: 2

Lease Schedule Date: anticipated to be prior to October 9, 1992

Between THE CONNECTICUT NATIONAL BANK, as Owner Trustee (Lessor) and SOLVAY POLYMERS, INC. (Lessee).

1.

Equipment Description:		Manufacturer and Serial
<u>Quantity</u>	<u>Item</u>	<u>Number</u>
107	5800 cu. ft. plastic pellet covered hopper cars	ACF Industries Incorporated; ELTX Nos. to be provided by addendum
2. **Equipment location:**
The above Equipment is to be delivered to La Porte, Texas
3. **Billing Address:**
3333 Richmond Avenue, Houston, TX 77098, Attn: Accounts Payable
4. **Original Rental Term:**
Anticipated to commence on October 9, 1992 and continue through February 12, 2013
5. **Rental for original Rental Terms:**
payable per attached Exhibit A through such date (subject to adjustment as set forth in Section 1 of the Master Equipment Lease Agreement)
6. **Acquisition Cost: Estimated: \$5,246,201 (to be finalized upon receipt of all Equipment)**
7. **Stipulated Loss Value: As of any date set forth on Exhibit B hereto, the percentage of Acquisition Cost listed opposite such date, which amount includes all rent due or accrued, on a per diem basis, through such date (subject to adjustment as set forth in Section 1 of the Master Equipment Lease Agreement).**
8. **Interest Rate on Late Payments: anticipated to be 10.22% per annum.**

9.

THIS SCHEDULE AND ITS TERMS AND CONDITIONS ARE HEREBY INCORPORATED BY REFERENCE IN THE ABOVE MASTER EQUIPMENT LEASE AGREEMENT. LESSEE PERMITS LESSOR TO INSERT MODEL AND SERIAL NUMBERS OF EQUIPMENT WHEN DETERMINED BY LESSOR.

THE CONNECTICUT NATIONAL
BANK, not in its
individual capacity but solely
as Trustee under a Trust
Agreement dated as of August 1,
1992

(Lessor)

SOLVAY POLYMERS, INC.
(Lessee)

By: _____

Title: _____

Date: _____


Corporate Trust Officer

By: _____

Title: _____

Date: _____

9. THIS SCHEDULE AND ITS TERMS AND CONDITIONS ARE HEREBY INCORPORATED BY REFERENCE IN THE ABOVE MASTER EQUIPMENT LEASE AGREEMENT. LESSEE PERMITS LESSOR TO INSERT MODEL AND SERIAL NUMBERS OF EQUIPMENT WHEN DETERMINED BY LESSOR.


THE CONNECTICUT NATIONAL BANK, not in its individual capacity but solely as Trustee under a Trust Agreement dated as of August 1, 1992

(Lessor)

SOLVAY POLYMERS, INC.

(Lessee)

By: _____
Title: _____
Date: _____

By: 
Title: Executive Vice President & General Manager
Date: _____

RENT SCHEDULE*

EXHIBIT A

<u>Date</u>	<u>Total Rent</u>	<u>Arrears Rent</u>	<u>Advance Rent</u>	<u>Mass Mutual Ins. Co.</u>		<u>MML Pension Ins. Co.</u>	<u>NYNEX Credit</u>
				<u>[IFM Trad'l Acc't]</u>	<u>[Pension Mg't GIA Acc't]</u>		

* Expressed as a percent of Acquisition Cost, as delineated in the applicable Lease Schedule(s).

STIPULATED LOSS VALUES*

SETTLEMENT
DATE

TERMINATION
AMOUNT

The amounts in this Schedule 1-B shall be appropriately adjusted to reflect any difference between the date as of which the Trustor is affected for tax purposes with respect to the receipt of such amount or the event or circumstance giving rise thereto and the date used in calculating such amount.

* Expressed as a percent of Acquisition Cost, as delineated in the applicable Lease Schedule.

ADDENDUM

ELTX NOS:

2000 - 2010
2012 - 2127
2129 - 2131
2133 - 2151
2153 - 2166
2168 - 2200
2202 - 2219
2221 - 2235
2238
2240 - 2243
2245 - 2247
2249 - 2251
2253 - 2256
2258 - 2263
2265
2267 - 2268
2270 - 2273
2275 - 2277
2280
2282
2284 - 2287
2290 - 2291